

**STATE LANDS COMMISSION
REGULATIONS GOVERNING RESPONSIBLE PARTIES ENGAGED IN
THE INTERNAL SHIPMENT OF OIL**

INITIAL STATEMENT OF REASONS

The following is the initial statement of reasons for the proposed regulation. Prior to the explanation for the provision, the text of the regulation is set forth indented and underlined. Subsection 2580 (b) includes by incorporation the Oil Transfer and Transportation Emission and Risk Reduction Form.

NECESSITY FOR THE FOLLOWING REGULATION

The Oil Transfer and Transportation Emission and Risk Reduction Act of 2002 (the Act) (Public Resources Code §§8780 through 8789) authorizes the California State Lands Commission (the "Commission") to collect information regarding the air emissions from tank vessels, barges and tugs involved in transporting internal shipments of oil and to report this information to the California State Legislature annually. P.R.C. §8783 requires the Commission, in consultation with the industry, to develop a form to be used by the owners of oil or responsible parties to report the air emissions from vessels engaged in the internal shipments.

In order to comply with the requirements of the Act, the Commission considers it necessary to provide the industry (owners of oil) with a uniform format that has regulatory authority for reporting all the information required to be reported by P.R.C. §8783(b). The Commission believes that a form with regulatory authority will be more effective in the reporting and acquisition of the information required by the Act. Although the Act does not expressly authorize the Commission to regulate the reporting of such information, the Commission believes that unless the form has regulatory authority, the information reported may not be timely or accurate.

PURPOSE FOR THE FOLLOWING REGULATION

As mandated by the Act, the proposed regulatory form would specify the items required by P.R.C. §8783(b) to be reported to the Commission for its compilation and subsequent report to the state legislature. .

TECHNICAL, THEORETICAL, AND/OR EMPIRICAL STUDY, REPORTS, OR DOCUMENTS

Commission staff developed a draft of the proposed form from the information in P.R.C. §8783. In compliance with the statute, Commission staff met with several members of the Western States Petroleum Association (WSPA) on March 4, 2003. The WSPA is an association representing all owners of oil in California. At the meeting on March 4, 2003, the Commission presented and extensively discussed the contents of the draft

form. The parties involved agreed to study the matter further and meet at a later date to finalize the form. Commission staff and WSPA members met again on July 24, 2003. At this meeting, after extensive review, all concerned agreed to finalize the form as it appears herein. WSPA members recommended that the form be adopted as a regulation. Both the meetings were conducted informally and no documentation was created.

SMALL BUSINESS IMPACTS

The Commission finds that the adoption of this regulation will not have a significant adverse economic impact on small businesses. None of the business that will be governed by the proposed regulation can be considered to be a “small business” as defined in Government Code Section 11342.610.

Article 5.6. Oil Transfer and Transportation Emission and Risk Reduction

§2580. Oil Transfer and Transportation Emission and Risk Reduction Form

SPECIFIC PURPOSE OF THE REGULATION

The specific purpose of the regulation is to provide all owners of oil with a uniform format for reporting the type and amount of oil, vessels and vessel routes as well as air emissions created by vessels transporting oil to and from marine terminals originating or terminating in the San Francisco Bay area and the Los Angeles and Long Beach area, or points in between.

NECESSITY

The reporting requirements of this form are required by P.R.C §8783 and necessary to enable the Commission to collect information from responsible parties to accurately estimate the amount and type of air emissions created as well as other data that is relevant in the internal transportation of that oil. The Commission is required to report this information to the California state legislature.

ALTERNATIVES TO THE PROPOSED REGULATORY ACTION THAT WOULD LESSEN ANY ADVERSE IMPACT ON AFFECTED PRIVATE PERSONS.

The Commission Staff has determined that there are no alternatives considered which would be more effective in carrying out the purpose of the proposed regulations or would be as effective and less burdensome to affected private persons.

- (a) Section 8783 of the Public Resources Code requires responsible parties engaged in the internal shipment of oil, as defined in Section 8782 of the Public Resources Code, to file on a quarterly basis, a form developed by

the California State Lands Commission providing information regarding those internal shipments.

Subsection (a), stipulates that responsible parties (owners of oil) will file the form with the Commission on a quarterly basis.

(b) The following form “Oil Transfer And Transportation Emission And Risk Reduction Form” is hereby incorporated by reference and shall be used by responsible parties engaged in the internal shipment of oil, as defined in Section 8782 of the Public Resources Code, to comply with the provisions of Section 8783 of the Public Resources Code:

Subsection (b), cites the “Oil Transfer And Transportation Emission And Risk Reduction Form” by name and incorporates the form by reference.

OIL TRANSFER AND TRANSPORTATION EMISSION AND RISK REDUCTION FORM

Public Resources Code - Sections 8780 through 8789

1/1/2004

Submission Date:

Name of Vessel/Barge	IMO/Vessel ID No.

Name of Loading Terminal	Location
1.	
2.	
3.	

Cargo Transported	Quantity (BBLs)	Source (Crude only)
1.		
2.		
3.		

Name of Discharge Terminal	Location
1.	
2.	
3.	

Dates of Travel				
Departure	Time	Route	Arrival	Time

Engine Type (Tanker)	Engine Type (Barge/Tug)	Engine Fuel

Engine Air Emissions (g/kw-hr)			
NO _x	HC	PM	CO

Was the reason for shipping this cargo due to a temporary or partial shutdown of a key refinery facility?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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Point of Contact	
Address	
Telephone No.	
Signature of Responsible Party	

INSTRUCTIONS

1. The responsible party of an "internal shipment" {Public Resources Code §8782(d)} of oil from either the San Francisco Bay area or Los Angeles/Long Beach areas or ports in between shall be responsible for filing the form with the California State Lands Commission's Marine Facilities Division. As provided by Public Resources Code §8788, the information provided by the responsible party through the form shall be kept confidential and reported only in the aggregate by the Commission, as provided by Public Resources Code §8784, in a manner that protects the competitive nature of the information.
2. **Loading Terminal** - The name of each terminal loading an internal shipment of oil.
3. **Location of Terminal** - Either 'A' - San Francisco Bay area; 'B' - Los Angeles/Long Beach area; or 'C' - name of port if not 'A' or 'B'.
4. **Cargo Transported** - Types indicated in broad categories, such as: CRUDE OIL, REFINED OIL, or OTHER (please specify).
5. **Source** - The source or origin of oil should be entered only if the oil shipped is crude oil.
6. **Dates of Travel** - The date and time of departure from the last loading terminal in areas 'A' or 'B' or 'C' (see 3. above) and the date and time of arrival at the first discharge terminal of the internal shipment.
7. **Route** - 'S' - Standard route using the Santa Barbara Channel Traffic Separation Schemes; 'O' - Offshore route at least 25 miles from the coastline; if neither 'S' nor 'O', a brief explanation.
8. **Engine Type** - The types of engines for main propulsion. Types include INTERNAL COMBUSTION, GAS TURBINE and STEAM.
9. **Engine Fuel** - The type of fuel used by the tanker or tug, e.g., DIESEL, FUEL OIL, HEAVY FUEL OIL, BUNKER 'C' or GAS OIL.
10. **Air Emissions** - For estimating air emissions, use either individual vessel emission factors or those found in USEPA's Document "Compilation of Air Pollutant Emission Factors, AP-42." Reported emissions are for main propulsion unit only and for the transit time of vessel or barge.
11. The responsible party should submit completed forms by mail or fax within 45 days of the end of each calendar quarter to: California State Lands Commission, Marine Facilities Division, 200 Oceangate, Suite 900, Long Beach, CA 90802. Fax (562) 499-6317.

Authority: Section 8783, Public Resources Code.

Reference: Sections 8780 through 8789, Public Resources Code.